

EXHIBIT III

2005

PREVIEW

ARCTIC CAT

Tightening the Choices

Cat Makes it Simpler

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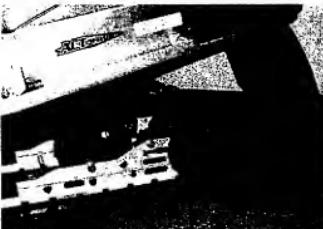
After three consecutive years of blockbuster new model introductions and a gourmet menu of technical innovations, Arctic Cat has tightened up the possibilities for 2005. Not to insinuate the 2005 brochure will be devoid of interesting models - it won't be. However, it's clear Cat has focused on applying its most recent and best technology to a greater number of models this year. Choices are more sharply defined for sled shoppers and one segment, the mountain market, gets some all-new toys to play with.

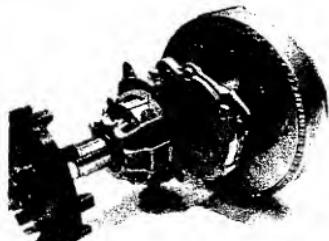
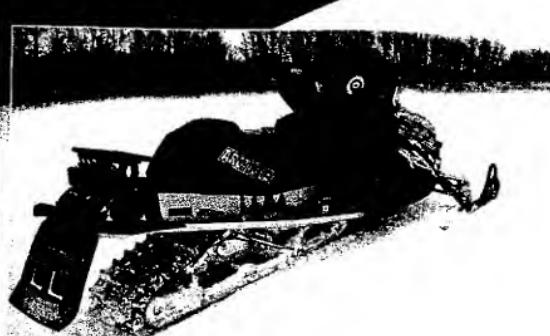
Firecat - New All Over Again

Strange how one new feature can completely alter the personality of a snowmobile. In model year 2004, Cat debuted their compact, lightweight ACT Drive planetary drive system in the mighty ZR 900. From a reliability perspective, the ACT system has been bulletproof and the 900 stress test has proven it adds the much desired benefits of weight reduction, lower noise and vibration levels when power is transferred through the chassis. It was a no-brainer we would see this setup on the F-chassis this year.

By trading a bulky chaincase, porky

Sno-Pro versions of the Firecat use Fox Float air shocks up front and a two inch diameter Fox Zero-Pro gaser at the rear. A taller seat, extending over the gas tank, moves the rider (and mass) forward. Sno-Pro tracks use 1.375 tugs. How about those rear idler wheels?





ABOVE & BELOW: Both Firecats and Sabercats return in EXT versions for 2005. The Sabercat gets new rear idlers and a strong focus on noise, vibration and harshness control. Engine chokes are the same as last year but subtle refinements add up to a much more trail friendly long distance runner. Sorry, no ACT Drive planetary gearcase (left) on Sabercats.

focus groups is the addition of visible rear idler wheels at the rear of the Firecat's skidframe. Although not an

essential change, the consensus from consumers was the "wheelless" back end looked funny.

Ergonomics have been shifted with the addition of a higher, more rounded seat profile. The extra padding eliminates the much maligned "package shelf" at the front of former Firecat seats and extends the padded portion out over the gas tank. The new seat contour enables riders to sit an inch or two higher and about three inches further forward while maximizing the upright position

drive chain and a jackshaft, complete with bearings, mounts and hardware for a compact, self-contained planetary gearcase mounted low down on the left side of the chassis, the engineers reduced the number of parts, made the manufacturing process simpler and lowered the center of gravity. The new, smaller diameter Firecat disc brake has migrated south into the bottom of the belly pan and, because it directly engages the drive axle, there's a margin of safety compared to chaincase driven sleds which have no stopping power should the drive chain fail - a rare occurrence but something to think about nonetheless.

Peel open the hood and the formerly crowded-to-the-hilt engine look underhood is more spacious and open. With the jackshaft gone, there's extra room for future far-forward gas tank placement or steering gear and, should one decide to re-engineer their muffler system, there's plenty of wiggle room on the right side with the chaincase vacant. So far, the only down side is an absence of available reverse gear. We're waiting to see where the engineers are going with that one - maybe next year.

Another change driven by customer

of the Firecat's handlebars. This change has enabled riders to choose between far-forward REV style ergos or laid-back, conventional positioning. The rounded contour and the addition of plush foam at the top of the seat makes a big improvement for rider ergonomics when setting up for a fast corner or when making stops to standup transitions in the ditches. Unlike the REV, even when seated at the front of the Firecat seat the rider's knees are placed directly over the ankles, avoiding that cramped-leg feeling some rider-forward owners complain about.

Firecat owners looking for rider-forward ergonomics will place the skid's rear mount in the highest position and roll the handlebars forward. This configuration works especially well on the Sno-Pro option with its Fox Float front shocks which raise the belly a bit higher off the snow. These aluminum loaded shocks use internal air pressure instead of a coilover spring, can be re-inflated or boosted at any time and are a real unsprung weight saver. We found their action over both big hills and stutters was exceptional.

Standard issue Firecats come with coilovers, IFP gassers up front and shock calibration for 2005 has finally brought the Firecat's handling to the same level as the ZR. The back end of the Firecat is premium in both versions and resists big impacts without bottoming while delivering a surprisingly plush compliant ride.

Sabercats - Same but Different

Since its introduction last year the Sabercat has gained acceptance because of its macho looks and excellent versatility. Because of its extra hardshell cargo space and comfy ergonomics, the sled has been a big hit with high mile riders who want a



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comfortable, tough looking snowmobile. Our impression after riding the 2005 s-Cat was a noticeable improvement in ride quality both front and rear.

Ride-FX shocks are still used at the front and a position variable shock in the rear so it appears the improvement is strictly a calibration effect. Not present on the Sabercat is the ACT planetary gearcase. This departure from the Freecat tech list is no doubt due to the need for reverse gear availability for trail loving Sabercat customers. Once again, we'll check back next year.

The same engine options are offered - a non exhaust valve, carb 500 and electronic exhaust valve (600) and 700 batteryless EFI twins. All 2005 F chassis Cats (sabercat and Freecat) have a large foam sound deadening pad covering the back of the hood. This pad not only cleans up the look of the under-hood area but does a good job of damping engine sounds from the muffler, airbox, clutches and driveline parts.

These endeavors are a direct result of Arctic Cat's investment in an explosive multi-million dollar R&D lab in their Thief River Falls plant which monitors sound levels and makes recommendations to the engineering department. The sound insulating hood pad and the addition of an innovative, exclusive-to-Arctic-Cat "bump track" which kills the noise generated by the track rods as they pass under the idler wheels makes a huge difference in the overall impression of low harshness and noise in the Sabercat - certainly the kind of improvements Sabercat customers prioritize.

"M" Stands for Mountain

In a surprising move, Arctic Cat has invested still more heavily in the mountain mar-



Cat's all-new M-Series Mountain sleds use combination involute/convolute front track drivers to prevent track ratcheting in deep powder. By starting with a clean slate the engineers have been able to reduce weight, improve ergonomics, centralize mass and improve the styling. ACT planetary drive is a big plus, lowering CG while keeping the weight down. M-tracks are all 15 inches wide.

ket. Why is this a surprise? Numbers for the mountain segment have remained strong over the recent low snow years in the Midwest but the high altitude market usually constitutes less than 20 percent of the whole snowmobile biz in a normal season. Nevertheless, Cat is proving their desire to be a leader in this segment and have introduced a new-from-the-snowup



series of "M" for Mountain sleds

Beginning with a wider tunnel, bulkhead and a 15 inch wide track married to the new ACT Drive system, Cat has created a lightweight masterpiece (early report is 467 lbs. dry weight for the M-700 - that's about 50 pounds lighter than the featherweight 866cc 1M). Engine cliniques are the carb 500, exhaust valve 600 and "00 batteryless EFI laid back engines. A new, lighter skidframe supports the track

The Thunderous ZR-900 returns with ACT Drive and new colors and graphics. Calibration changes to the primary clutch for 2005 promise even more acceleration and top end than last year.



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LEFT: Arctic Cat dumped the gigadangerous 800 Touring this year and is focusing on the EFI 600 and the T660 Turbo Touring for the 2-up market. The Turbo especially, is an ideal touring sled with its whisper quiet engine and excellent gas mileage. There's virtually no power penalty and the jaw-dropping mid-range power of the 4-stroke is perfect for two-passenger long distance trail riding.

BELLOW: The early release of a bright red ST version of the T660 Turbo with gas shocks on the front and 2B-style tunnel stiffeners lends some more sizzle to Cat's 4-stroke line-up. 2005 4-strokes choices are the single passenger 121 inch T-660, the turbocharged 2-up Touring T660 and an EFI non-turbo 660. All 4-strokes are available with optional remote electric start.



BELOW: Once again, early buyers can get custom hood graphics. This retro-look version was our favorite but there's also a Team Arctic race clone and a scary Joker's Wild rendition around which a lucrative early order contest offer spins. See your dealer for details.



which is driven by two involute-convolute drive sprockets to prevent track ratcheting. Bodywork, including both the hood, removable side panels and belly pan, is completely fresh and aerodynamically designed to direct snow away from the rider and such powder collectors as air vents and suspension parts. Maximum levels of traction are provided by a new 4.35 inch deep, 162 inch long track. These clean-looking, smoothed-out new mountain sleds have excellent curb appeal and should be strong sellers for Cat in the technically focused high altitude market.

A Year to Collect

After several consecutive years of new ideas - everything from the Firecat centralized mass chassis, several completely new engines, new front & rear suspensions, the introduction of the Sabercat, delivery of a turbocharged 4-stroke and a revolutionary planetary drive system, Arctic Cat has chosen 2005 as a year to consolidate their technology throughout the model line-up. With the kind of rapid-fire progress the Thief River Falls company has been making we can't wait to find out what's on the burner for 2006. ▲



LEFT: Utility Bearcats feature a nifty application of a feature previously offered exclusively on Arctic Cat ATVs. The Multi-Rack Platform (MRP) allows quick adaptability of add-on components using a simple pin system to slide specialty accessories on or off the racks. A complete ice fish hut is available as an MRP component but there's a host of others to make life easier for hunters and tradesmen.